

2014 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Department of Planning & Development (DPD)	Kris Castleman / 684-5243	Melissa Lawrie / 684-5805

Legislation Title:

AN ORDINANCE related to fees and charges for permits and activities of the Department of Planning and Development; amending Seattle Municipal Code Chapter 22.900A, Administration and Enforcement; and adding a new Chapter 22.900H, Rental Registration and Inspection Program Fees.

Summary of the Legislation: This legislation establishes fees for the Rental Registration and Inspection Ordinance program as directed by the City Council in Ordinance 124011.

Background:

In October 2012, the City Council established the Rental Registration and Inspection Ordinance program to protect the health, safety, and welfare of the public and prevent deterioration and blight conditions that adversely impact the quality of life in the city. By the end of 2016, the program will register all rental properties in Seattle, and within 10 years all rental properties will have been inspected at least once for compliance with key life safety and health standards. Following Council direction, DPD is establishing several fees to support the program. There will be fees for:

- Rental Housing Registration;
- Rental Housing Registration Renewal;
- Late Rental Housing Registrations and Renewals;
- Rental Housing Registration Reinstatement;
- Private Qualified Rental Housing Inspector Training;
- Private Qualified Rental Housing Inspector Registration; and
- Rental Housing Unit Inspection.

The proposed fees are developed to fully and exclusively fund the Rental Registration and Inspection Ordinance program. The fees are based on DPD projections of the number of required rental registrations and inspections, estimates of the work required to operate the program, and the cost of the supporting IT system. DPD's goal is to have fees and expenses balance out over the five year registration cycle outlined in the authorizing ordinance. DPD expects to adjust fees for registration renewals, inspections, and other program activities as necessary to keep fee revenue in line with program costs.

Two fees addressed in the program-enacting ordinance are not included in this legislation. First, the fee for renewing a private qualified rental housing inspector registration is not

included because inspector renewals will not be necessary until 2016 and it is premature to estimate the cost. Second, a rental housing registration transfer fee is not included because DPD proposes to eliminate the transfer fee through separate legislation amending the Rental Registration and Inspection Ordinance. DPD believes the registration transfer fee will act as a disincentive for keeping registration information up to date. The very limited staff time required for registration transfers can be covered by overall registration costs.

X This legislation has financial implications.

Summary of Changes to Revenue Generated Specifically from this Legislation:

	Revenue Source	2014 Proposed	2015 Estimated
Planning and Development Fund (15700)	Rental Registration and Inspection Fees	\$881,791	\$3,386,838
Total Fees and Charges Resulting From Passage of This Ordinance		\$881,791	\$3,386,838

Revenue Change Notes: The estimated revenue for the 2014 Proposed Budget is from the registration of the approximately 4,400 properties with 5 or more units. The 2015 column is from the registration of approximately 22,000 properties with 1-4 units.

Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:

Fund Name and Number	Revenue Source	Total 2014 Revenue	Total 2015 Revenue
Planning and Development Fund (15700)	Rental Registration and Inspection Fees	\$881,791	\$3,386,838
TOTAL		\$881,791	\$3,386,838

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**

No.

b) **What is the financial cost of not implementing this legislation?**

Not implementing this legislation as proposed would prevent DPD from collecting fees to support the start up and administration of the Rental Registration and Inspection Ordinance program. DPD would not be able to staff the program or support the systems

necessary run the program. In addition, DPD would not be able to recoup the funds it has already expended to support start up of the program.

c) Does this legislation affect any departments besides the originating department?

No.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

There are no alternatives that can achieve the same or similar objectives.

e) Is the legislation subject to public hearing requirements?

No.

f) Other Issues:

None.

Please list attachments to the fiscal note below:

None.